



CITY OF SOMERVILLE, MASSACHUSETTS SOMERVILLE REDEVELOPMENT AUTHORITY

JOSEPH A. CURTATONE
MAYOR

NANCY A. BUSNACH
CHAIR

MINUTES Thursday, December 8, 2016 Third Floor Conference Room, City Hall

Present from the Somerville Redevelopment Authority (SRA): Nancy Busnach (Chair), Iwona Bonney (Secretary), William Gage, and Phil Ercolini. Also present were Eileen McGettigan as Special Counsel, Michael Glavin as Director of the Office of Strategic Planning and Community Development, Thomas Galligani as Director of Economic Development, Emily Hedeman as Economic Development Assistant, and Sunayana Thomas as Senior Economic Development Planner.

The meeting was called to order at 5:30PM by Nancy Busnach, Chair. Open session commenced. A quorum was present.

1. Approval of Minutes:

Vote: Approve the November 10, 2016 minutes.

- Motion to approve minutes made by William Gage, seconded by Iwona Bonney.
- Unanimously approved

2. Assembly Square Update:

Eileen McGettigan, and Emily Hedeman gave updates on Assembly Square

- Emily Hedeman stated that job fairs will be held in the spring, prior to school summer break. Construction is on schedule for blocks 5 and 6.
- Eileen McGettigan provided an update on The Office and Research Center + the Residences at Assembly. A full Environmental Impact Report (EIR) will be required for the project.

3. Union Square Update:

Greg Karczewski of Union Square Associates (US2), Sunayana Thomas and Thomas Galligani gave updates regarding Union Square redevelopment.

- Greg Karczewski provided an update on the outreach, planning and predevelopment and infrastructure stages of the Union Square redevelopment.
 - Outreach: US2 has made efforts to become an active member of Union Square. They have re-upped their sponsorship of Greentown Labs and are currently in

active discussion with Greentown Labs regarding the housing needs that are a result of the expansion of Greentown Labs' facilities and increased hiring. US2 has been a sponsor in the Fluff Festival and Union Lunch. They established Workbar, which recently celebrated its one year anniversary. Workbar has 100 members, of which 50 are full-time members. There are two upcoming events that US2 is supporting: A screen-printing event on December 8, 2016 and the Union Square Holiday Stroll on December 10, 2016. US2 was recognized as a good neighbor of the community by the Somerville Chamber of Commerce.

- Planning and Predevelopment: The next step is zoning approval. US2 is hopeful for an early January approval. This will allow US2 to present their master plan to the zoning board and for the site plan and review on the D2 site to break ground in late 2017. The MBTA hired a General Manager for the GLX project, which is a key step in de-risking the project. The City's Board of Aldermen is also meeting to discuss the City's required contribution of \$50 million for the GLX project on December 8, 2016 at 6:30PM.
- Infrastructure: Early stages of infrastructure are moving along. Anticipated completion of early stage infrastructure is early 2017. The City is working on the design and replacement of the sewer. The engineering drawings are estimated to be completed early 2017 and sent to bid in the second half of 2017. Governor Charlie Baker announced an award of \$13 million towards Union Square infrastructure improvements. Private partnership will supplement the \$13million grant.
- Greg Karczewski stated that US2 will need additional investors to implement their plans for Union Square and complete execution. Information regarding the proposed partner, Bedrock Real Estate Partners, was sent to the members prior to the meeting. Bedrock is based out of New York, manages the investments of high net worth families and is focused on urban institutional investment. Chuck Berman and Tracy Applebaum are the Principals. US2 is requesting approval by the SRA to add Bedrock as an additional investor.
- Phil Ercolini requested clarification regarding the early 2017 completion of the early infrastructure work.
- Greg Karczewski stated that Webster and Prospect Streets will be made two-way streets.
- Michael Glavin clarified that public discussion will happen again before the full infrastructure plan is completed and prior to full implementation.
- Iwona Bonney questioned what changes would be made to existing parking and bike lanes.
- Michael Glavin stated that modifications will be made to parking to accommodate for both bike lanes and two-way vehicular traffic.
- Phil Ercolini requested additional information regarding Bedrock Real Estate Partners.

- Greg Karczewski stated that Bedrock is seven to eight high net worth individuals that participate in confidential investing. Chuck Berman is a Harvard Business School graduate with past experience at MacFarlane Partners, AvalonBay Communities, as well as president of a real estate investment trust (REIT). Tracey Appelbaum has past experience at MacFarlane Partners and AvalonBay Communities. Both Mr. Berman and Ms. Appelbaum left MacFarlane to start Bedrock. Their investments are focused in New York, Boston, and Washington, D.C. Bedrock has been operating for three years. US2 views Bedrock as a good cultural fit, as Bedrock is looking for a long-term investment opportunity.
- Phil Ercolini stated that he would be interested in more thorough information regarding additional future investors.
- William Gage reviewed the Master Developer Designation Agreement (MDDA) and questions how Bedrock fits into the existing partnership, specifically, what is the percentage of Bedrock's investment.
- Greg Karczewski stated that US2 will be the day-to-day manager and Bedrock is a programmatic investor and that he cannot disclose the percentage at this time due to potential confidentiality issues.
- William Gage requested clarity as to what the relationship will be, as Mr. Gage has reviewed the principals' experience and found it to be primarily residential.
- Greg Karczewski stated that US2 is undergoing ongoing due diligence with Bedrock. Bedrock is committed to creating a job center. Bedrock would invest side-by-side with US2.
- Nancy Busnach requested clarification of the role of the original investors, specifically, are the original investors, Magellan and Mesirow, still involved. Ms. Busnach would like to have confirmation that the original concept and partners are still there and Bedrock is in place as additional support.
- Greg Karczewski stated that the same team of original investors is in place. The evolution of the corporate structure of US2 is documented within the Master Developer Designation Agreement (MDDA).
- William Gage requested confirmation that Mesirow has phased out their real estate consulting practice.
- Greg Karczewski confirmed.
- Sunayana Thomas stated that the LOCUS process is working with George Washington University to understand the impact of future development and policy on social equity. The report is expected January 2017.
- Sunayana Thomas stated that the Place Management Organization (PMO) has evolved into a Neighborhood Council. The first meeting of this Neighborhood Council is December 10, 2016, from 9:00AM until 12:00PM at the Community Action Agency of Somerville (CAAS).
- There is a Civic Advisory Committee meeting December 12, 2016 from 6:00PM-8:00PM at the Argenziano School. The topics for this meeting are the Green Line Extension, zoning, and timeline.

- Thomas Galligani stated that there is currently a Request for Proposals open for solicitations for appraisal services for the acquisition and appraisal of property in relation to Union Square.

4. Votes to be Taken:

Vote: Authorize execution of non-controlling investor letter

- Motion by William Gage and seconded by Iwona Bonney.
- Unanimously approved

Vote: To designate impartial hearing officer for relocation appeal

- Eileen McGettigan explained that the Authority took land on the D-2 development parcel in 2013, but there is one remaining residence. The remaining party has stated their intention to take an appeal, pending clarification of the specific items being appealed. The regulations require that the Authority designate an impartial hearing officer to review the appeal.
- Ms. McGettigan suggested Dana LeWinter as the Authority's impartial hearing officer for this appeal. Ms. LeWinter was previously the Director of Housing for the City of Somerville. She is familiar with housing policies and procedures and has agreed to serve as hearing officer, if appointed by the Authority.
- Phil Ercolini questioned if the hearing officer will be used for all future appeal hearings or limited to this single appeal.
- Eileen McGettigan clarified that this is anticipated to be the final hearing arising out of the 2013 takings as this is the last remaining residence on the development parcel.
- Motion by Phil Ercolini and seconded by Iwona Bonney.
- Unanimously approved

Vote: Authorize execution of City-SRA contract

- Eileen McGettigan reviewed and confirmed changes previously submitted by William Gage.
- Motion by Iwona Bonney and seconded by William Gage.
- Unanimously approved

5. Other Business Not Reasonably Anticipated by the Chair

- Michael Glavin introduced Phil Ercolini and reviewed his past service and involvement in the City.

6. Selection of Date for Next Meeting:

- Next meetings will be January 19th, 2017, February 16th, 2017, and March 16th, 2017.

7. Adjournment:

Vote: Adjourn the December 8th meeting.

- Motion to Adjourn made by Iwona Bonney. William Gage seconded the motion. All in favor. Meeting adjourned at 6:15pm.